Estimates of Indian Gas-based Fertilizer Projects

21. SHRI SHANKER SINH VAGHELA;

SHRI PRAMOD MAHAJAN:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the International Finance Corporation (Washington) had recently found that estimates of gas-based fertilizer project (being planned) in India were higher than those of plants being built in other countries; if so, by how much in each case; and

(b) which of those projects have contracts with, the Italian firm Snamprogetti and for how much each?

THE MINISTER OF STATE IN THE DEPARTMENT OF FERTILIZERS IN THE MINISTRY OF AGRICULTURE (SHRI R. PRABHU): (a) In September, 1986, there was a reference from the International Finance Corporation (Washington) to the Government of India indicating that the estimates of the gas-based Sawai Madhopur Fertilizer Project being executed in Private Sector appeared to be higher by about $ 40—118 millin compared to those estimated by IFC(W) and the budgetary prices given by internationally known contractors. The Department of Fertilizers, after detailed scrutiny, concluded that on a comparable scope of the project, infrastructure development, sources of supply of equipment, cost of steel and cement, taxes and duties, interest rates, etc. the project costs in India compared well with those in other developing countries.

(b) Contract for some portions of the work relating to Vijaipur, Aonla and Jag-dishpur projects were awarded to Snamprogetti for which the amounts payable/ paid to Snam in respect of each of these projects will be as follows; —

Name of the Project	Rupee Equivalent amount paid/payable (at current Rupee/US $ exchange rate)
Vijaipur	. Rs. 437 crores
Aonla .	. Rs. 14.60 crores
Jagdishpur	. Rs. 27.39crores

In respect of the Sawai Madhopur Project, Government approval, in principle to the proposed agreement between the Promoters and Snam for process licence and technical services has been accorded. Firm indication of the payments to be made to Snamprogetti will be known when the agreement is received for being taken on record.

Award of contract to Mls Snamprogetti

22. SHRI LAL K. ADVANI SHRI ASHWANI KUMAR;

Will the Minister of AGRICULTURE be pleased to state;

(a) whether the Italian firm M/s. Snamprogetti was awarded contract for establishment if Vijaipur, Aonla, Jagdish-pur and Kakinda Fertilizer projects or their parts without inviting global tenders for the same; if so, the reasons thereof;

(b) how the other international offers for the same works and items were compared with those of Snamprogetti for prices and merits; and

(c) in each case for how much amount the Italian firm has been signed?

THE MINISTER OF STATE IN THE DEPARTMENT OF FERTILIZERS IN THE MINISTRY OF AGRICULTURE (SHRI R. PRABHU): (a) and (b) M/s. Snamprogetti have been awarded some portions of the contract for the establishment of Vijaipur, Aonla, Jagdishpur and Kakinada projects. For Thai and Hazira